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MEMORANDUM

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February 16, 1971

MEMORANDUM FOR DR. KISSINGER

FROM: Harold H. Saunders
Samuel M. Hoskinson *Hal*

SUBJECT: CIA Memo on Jerusalem

CIA has produced a fairly concise study on the issue of Jerusalem as it relates to a peace settlement in the Middle East (attached). You may find this--particularly the material beginning on p. 4--to be useful background material on what will ultimately be one of the major issues of a final settlement. This gives a brief resume of past proposals for Jerusalem and describes a number of programs the Israelis have undertaken within the city that seem largely designed to make their control irreversible.

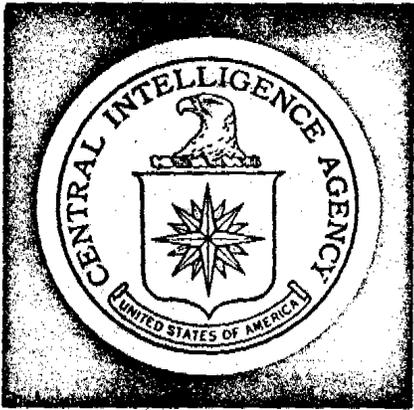
Att: CIA Intelligence Report, 1/15/71, No. 1257/71, Cy #27, Subj: Jerusalem: An Issue Without Prospects

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DIRECTORATE OF
INTELLIGENCE

Intelligence Report

Jerusalem: An Issue Without Prospects

Secret

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15 January 1971
No. 1257/71

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
15 January 1971

INTELLIGENCE REPORT

Jerusalem: An Issue Without ProspectsIntroduction

Just after Christmas, the Israelis finally agreed to return to the Jarring talks, which they had left in early September to protest Egyptian/Soviet violations of the terms of the cease-fire agreement. The negotiations are expected to be extremely difficult, however, with neither side showing much inclination to compromise even on minor matters. There are, many observers believe, some areas where agreement might eventually be reached, such as withdrawal by Israel from part of the occupied territory and Arab recognition of Israel's right of transit through the Suez Canal. The status of Jerusalem, however, constitutes a stumbling block on which the entire peace effort could founder. The Arabs say they cannot agree to Israeli control of the city, and the Israelis say they will not give it up. The Israelis have further complicated the issue by undertaking a number of programs within the city that are clearly designed to make Israeli control irreversible.

Note: This report was produced by the Office of Current Intelligence and coordinated within the Directorate of Intelligence.

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Historical Background

1. Traditionally, Jews date their association with Jerusalem from early Biblical times (perhaps 16th century B.C.), when Abraham was commanded to sacrifice Isaac on Mount Moriah, later known as the Temple Mount. Historically, their association began about 1004 B.C., when King David captured the city from the Jebusites and made it both his capital and the religious center of the Israelites. The Temple, completed by David's son Solomon, endowed the city with a sanctity in Jewish eyes which it has retained ever since. It has also made Judaism "Jerusalem oriented." When the Temple was destroyed and the Israelites were exiled to Babylon (Mesopotamia) in about 586 B.C., their yearning to return to their homeland was expressed in the psalm, "If I forget thee, O Jerusalem, let my right hand forget her cunning."

2. The Jews were allowed to return in 539 B.C. and to rebuild the Temple, but their repeated rebellions against the Romans, who conquered Jerusalem in 63 B.C., ultimately led to their expulsion from Jerusalem and the surrounding countryside (from 135 to 205 A.D.). In the following centuries, Palestine--including Jerusalem--was ruled successively by the Byzantines, Persians, Arabs, Crusaders, Mamelukes, Ottoman Turks, and finally the British (from 1917 to 1948). Never, however, during the many centuries when control of Jerusalem was denied them, did Jewish feeling for the city diminish.

3. In 1948 the Jews recaptured the western portion of Jerusalem--now known as the New City--which they designated as the capital of the new state of Israel. Until the 1967 war, however, no Jews were allowed entry to that portion of eastern Jerusalem controlled by Jordan--the Old City--in which most of the holy sites of Judaism are located. For the Jews, the most holy spot of all is the western wall of the Temple of Herod, often called the Wailing Wall, revered because of its proximity to the "Holy of Holies" (inner sanctum) at the western end of the Temple.

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4. During its turbulent history, Jerusalem has also developed a very special significance for Christians and Muslims. For the Muslims, the city ranks behind only Mecca and Medina as a holy place; originally, Muslims faced Jerusalem rather than Mecca when praying. Muslims revere an area adjacent to the Wailing Wall as the place where Muhammad tethered his winged horse Al-Buraq before he ascended briefly to heaven from a nearby rock, now covered by the Mosque of Omar, or Dome of the Rock.

5. Toward the end of the 19th century, modern Jewish settlement began in Palestine, and in 1897 Theodor Herzl formed the Zionist movement with the aim of establishing a Jewish state. In 1917, Great Britain issued the Balfour Declaration supporting "the establishment in Palestine of a national home for the Jewish people." When Great Britain assumed its mandate over Palestine in 1920, it was faced with deciding where in Palestine the Jewish national home would be established and what should be done with Jerusalem. At this point, Zionist representatives, although refusing to agree to put the city under Arab control, did not press for the inclusion of Jerusalem in a Jewish state. Their position, however, was a recognition of the realities of the time and not an indication that Zionist leaders had lost interest in the city.

Proposals on Jerusalem

6. During the years of the mandate before the establishment of the state of Israel, various plans were evolved for the partition of Palestine between the Jews and the Arabs, and most of these affected the status of Jerusalem. The Peel Commission (UK Palestine Royal Commission) in 1937 recommended that Jerusalem, together with several other towns in Palestine, remain under mandatory rule. In 1946, the Jewish Agency, the representative of the World Zionist Organization, proposed a partition of Palestine establishing frontiers for the Jewish state that were little different than those actually effected in 1948. The Jewish Agency plan, however, put forth no claim to Jerusalem.

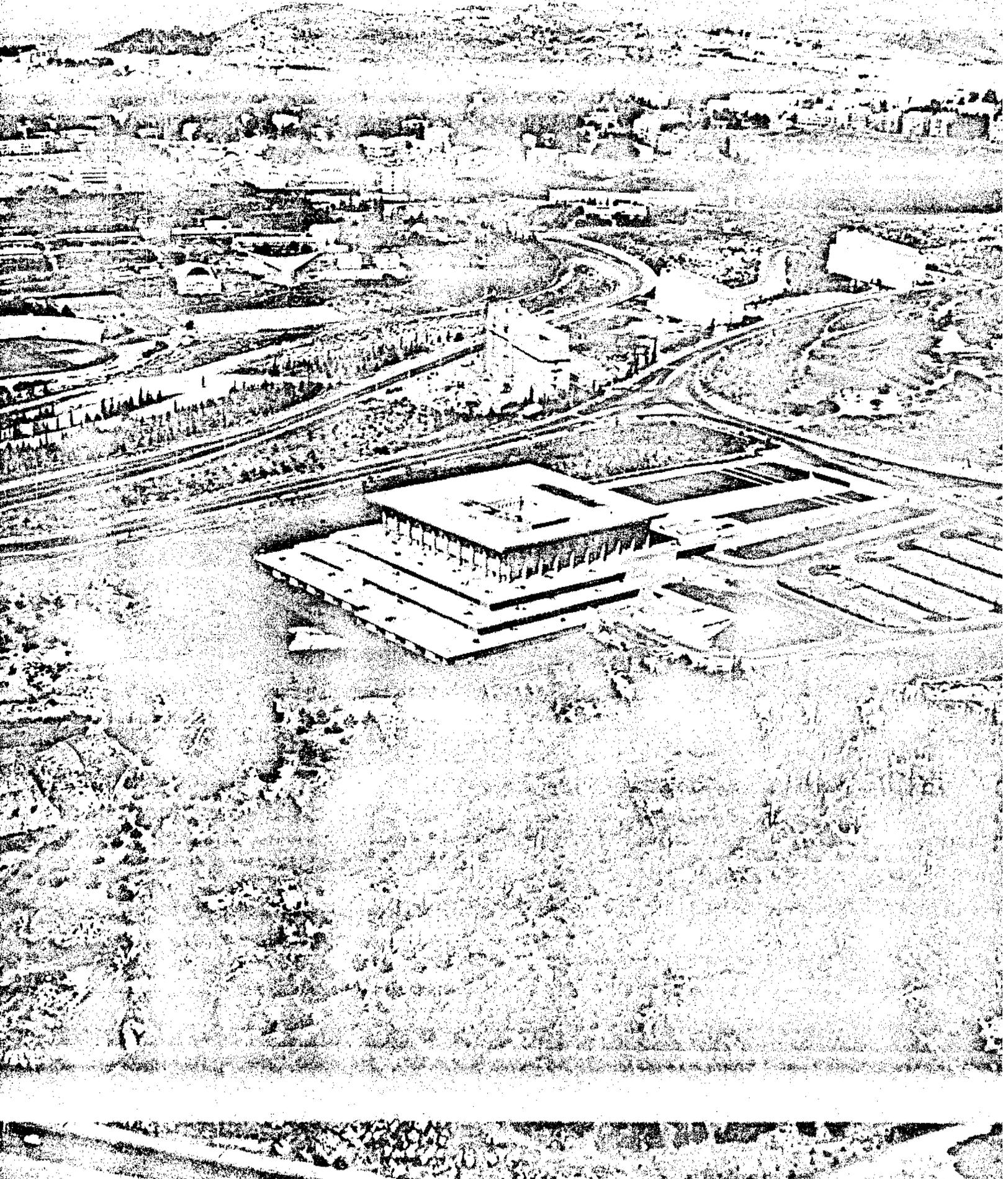
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Jerusalem the old



and the new



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7. A plan recommended by a majority of the United Nations Special Committee on Palestine (UNSCOP) in November 1947 was subsequently adopted with minor alterations by the General Assembly. This plan declared that Jerusalem was a neutral area, although its neutrality was ill-defined and the city was to remain the responsibility of a UN mission after the end of the mandate. Fighting broke out in Palestine shortly after the UN announced its acceptance of the UNSCOP plan, and in March 1948 a UN commission announced that the partition scheme had broken down. Several alternative proposals were put forward by different countries, including a US suggestion for temporary trusteeship. Although both Arab and Jewish leaders announced their willingness to accept a neutral UN commission to carry on the municipal functions of the city, nothing could be done while the fighting continued.

8. In the summer of 1948, UN mediator Count Bernadotte proposed that the UNSCOP majority plan for Jerusalem be abandoned and that the city be incorporated into Arab territory "with municipal rights for the Jewish community and special arrangements for the protection of the holy places." This suggestion was rejected outright by Israel, whose forces were then in possession of the New City. Over the next several months, official Israeli opinion gradually hardened with respect to the division and control of the city. By December 1948, the Israeli position, as set forth by President Weizmann, was that special arrangements might be made for the Old City, but that it was unthinkable that the New City should revert to foreign rule.

9. The adamant Israeli stand did not stem the offers of alternative proposals, but none affected the de facto status of the city. In the spring of 1949, when armistice agreements were signed between Israel and the various Arab countries (except Iraq), Jordan's King Abdullah announced his intention of claiming the Old City for his country (then Transjordan). In August 1949, Arab delegates to the UN Conciliation Commission in the Middle

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East approved in principle the internationalization of the city. A month later, the Conciliation Commission published its plan, which suggested that Israeli and Jordanian sovereignty in Jerusalem be limited to purely local municipal administration in their respective zones. The city would be administered as a whole by a UN-appointed commissioner who would preside over a 14-member General Council of advisory nature only. The functions of the commissioner would be limited to the protection of the holy places and to the supervision of the rights of access. Because a principal intention of the plan was to prevent any change in the demographic makeup of the city, Israel, already in possession of the New City, refused to agree.

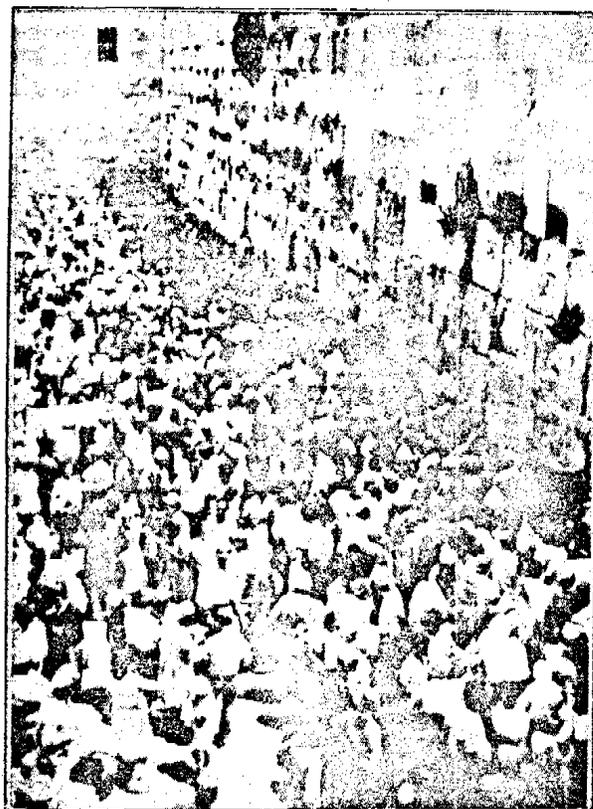
10. A compromise proposal by the Netherlands and Sweden called for recognizing the sovereignty of Israel and Jordan in their respective areas and limiting the power of the international representative to supervision of the holy places and the authority to suspend the application of laws and regulations. The entire city was to be demilitarized, and both Jordan and Israel were to be forbidden from establishing their capitals in the city. The General Assembly rejected this proposal, however, and instead passed an Australian proposal similar to the November 1947 plan to neutralize the city and place it under a UN mission.

11. In January 1950, the Israelis formally proclaimed Jerusalem (i.e., the New City) to be the capital of Israel. Most foreign governments, including the US, refused to accept the Israeli action, and events during the next 17 years did not alter the status of the city. Since 1948 the Israelis have conducted a continuous campaign to persuade or maneuver other governments into recognizing Jerusalem as its capital.

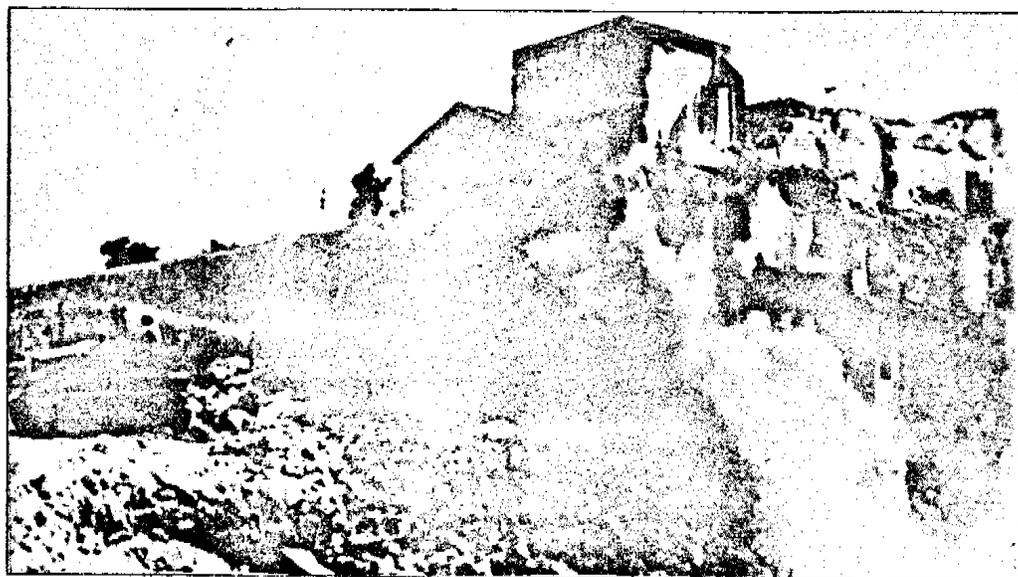
12. In the course of the 1967 war, Israel occupied the West Bank of Jordan, the Golan Heights, Sinai, and Gaza. When the fighting ended, the Israeli Government stated that the future of Jerusalem

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**Jews Flock to Wailing Wall After
Capture by Israel in 1967**



Israelis Demolish Arab Homes Near Wailing Wall in 1969

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unlike that of the other occupied territories, was not negotiable. As a result, the UN General Assembly in July 1967 voted a resolution to the effect that the Israeli measures to change the status of Jerusalem were invalid and should be rescinded. In May 1968, the UN Security Council adopted a resolution that deplored Israel's ignoring of the earlier General Assembly appeal not to change the status of Jerusalem and called on Israel "to rescind all such measures already taken, and to desist forthwith from taking any further action which tends to change the status of Jerusalem." Israel's confiscation and demolition of properties in the vicinity of the Wailing Wall resulted in a similar Security Council resolution in July 1969, for which the US voted.

Israeli Actions Affecting Jerusalem Since 1967

13. Despite protests from the outside and resistance on the inside, the Israelis have moved steadily and implacably forward in the Israelization of the city. In order to consolidate its control over East Jerusalem--the Old City--the government has extended Israeli law to the area, exercised eminent domain to requisition land for public purposes, and settled Israeli citizens in the area.

14. The Israeli Knesset extended the application of Israeli law to East Jerusalem in June 1968 after having earlier redefined the boundaries of the united city, greatly expanding them both north and south of the original limits. Since that time, Israeli Government and Jerusalem municipality laws have been applied, at least to some degree, especially in the fields of taxation, labor law, licensing requirements, and presumably, criminal law. Not only have Israeli courts supplanted Jordanian lower civil courts, but the Jordanian Appeals Court has been removed to Ramallah and has been deprived of its jurisdiction over East Jerusalem. Muslim religious courts in East Jerusalem, which derive their authority from the Jordanian

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sovereign, have not acknowledged Israeli authority and their judgements are therefore not enforced. The residents of East Jerusalem are included in Israeli population statistics, but they are not legally regarded as citizens. In the 1969 elections, East Jerusalem residents were permitted and encouraged to vote in municipal elections, but prohibited from voting for national office.

15. Israel has progressively extended income and real estate taxation to East Jerusalem. During the first year of occupation, the Israelis agreed to accept less than the full amount assessed, although they endeavored to force the Arab residents of East Jerusalem to make some payment as an acknowledgement of the Israeli right to tax them. Early in 1969, the Israelis adopted a firmer tax policy and began a program of enforcement that by 1971 would bring the rates of residents of East Jerusalem up to those of the residents of West Jerusalem. Although some Arab businessmen in East Jerusalem claim that they have not and will not pay taxes to the Israelis, probably many of them actually go along with the Israeli assessments because the renewal of business licenses has been linked to the payment of taxes.

16. Israeli regulations regarding minimum wages and work conditions have been applied to East Jerusalem since 1968 and are gradually being enforced. The wage level in East Jerusalem is still substantially lower than in Israel, however, and conditions of work, customs, and management-labor relations remain vastly different in the traditional and paternal Arab East Jerusalem than in Israel. In spite of the difficulties the Israeli Government has consequently faced in attempting to enforce minimum wage levels in the eastern sector, it is persevering in its efforts. In early 1970, for example, the Israeli Ministry of Labor, ruling on a dispute between an Arab-owned hotel in East Jerusalem and its employees, ordered the hotel gradually to increase its pay scale to that paid to hotel workers in West Jerusalem.

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17. In June 1969, several East Jerusalem businesses were unilaterally registered as Israeli companies under the provisions of a newly passed law that set forth a number of regulations applying to individuals and licensed professions, trades, and occupations. The Israelis allege that the formal registration of businesses in East Jerusalem is essential to facilitate normal commercial transactions.

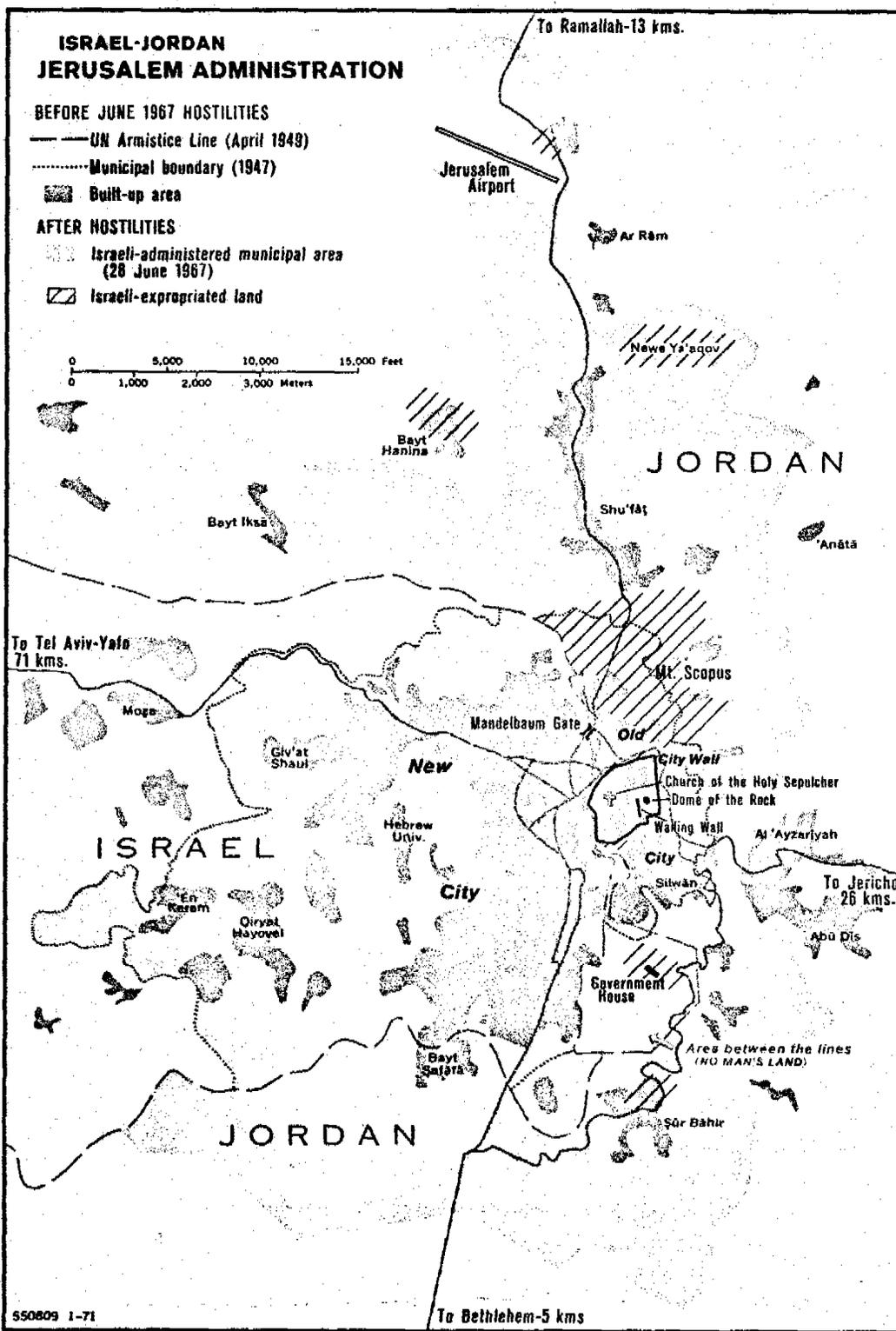
18. Israel has taken over land in East Jerusalem for public (as distinguished from defense) purposes. In January 1968, 832 acres of largely undeveloped land in the area of Mt. Scopus was requisitioned for a housing development and a public building center. A few months later, the government took over a smaller area that included the entire so-called Jewish Quarter of the Old City as well as Neue Ya'akov, the site of a pre-1948 Jewish settlement. Approximately 800 Arabs who had been living in the Jewish Quarter were moved out, mostly to the city's suburbs. They were reportedly compensated at the rate of 1,000 Israeli pounds per room vacated.

19. In August 1970, the Israelis expropriated about 3,000 acres of land within the enlarged boundaries of Jerusalem. With the exception of an area around Government House, all of this land was within Jordan's 1967 borders. According to Israeli sources, only 20 Arab dwelling units and no cultivated land or religious property were taken. The Ministry of Housing subsequently announced that, beginning in early 1971, 2,600 new apartment units were to be built on the requisitioned land; the new units are only the first of a projected 25,000 apartments. In announcing the project, the minister of housing said that the new construction was vital not only to provide housing for newcomers to the city, but also to ensure that the city remained united and indivisible.

20. Beginning in the summer of 1967, the Israelis demolished a number of buildings in the

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vicinity of the Wailing Wall in order to enlarge the prayer area. The Israeli Ministry of Religious Affairs stated that the clearing of "this sacred site" was undertaken because the buildings in question were structurally unsafe. Other buildings in the Wailing Wall area were requisitioned for security purposes following terrorist bombings in the area in mid-1969.

21. The Israelis have extended their control to include the municipal administration and civil service. The Arab City Council was dissolved by Israeli order in June 1967 because it refused to sit with the Israeli Jerusalem Municipal Council after Israeli law was extended to East Jerusalem. The Arab mayor was deported to Amman in March 1968, but the Israeli municipal administration employs several hundred Arab Jerusalemites, many of whom were former employees of the Jordanian Jerusalem municipality. Several hundred other Arab residents of East Jerusalem are employed by various Israeli ministries, principally in the fields of public health, communications, and public works.

22. The former Jordanian schools, virtually all of which have been reopened, use the same text books as those in Israel's Arab schools. The conversion of the East Jerusalem schools to the Israeli Arab system, however, has resulted in a dramatic decline in enrollment in the two government secondary schools. East Jerusalem parents and students claim that by de-emphasizing Arab history and geography the Israelis have made it virtually impossible for students graduating from the government schools to meet the requirements for Arab universities.

Israeli and Arab positions Appear Irreconcilable

23. In the face of pressure from a number of countries, including the US, the Israeli Government has somewhat modified its position--adopted immediately following the 1967 war--that the status of Jerusalem was not negotiable by acknowledging

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that Jerusalem would be one of the subjects to be included in any peace negotiations. The Israelis have continued to make it abundantly clear, however, that they have no intention of giving up control of the city. They are also adamantly opposed to any internationalization of the city--although they promise free access to the holy places for all faiths. As recently as December 1970, Prime Minister Golda Meir said that her government would not make peace with the Arabs unless it got "defensible" frontiers and retained control of a united Jerusalem.

24. The Arabs, at least in public, remain unswervingly against continued Israeli rule of Jerusalem. King Husayn has been quoted as saying that Israel could have either peace or territory, but not both. King Faysal of Saudi Arabia, guardian of the holy cities of Mecca and Medina, also very strongly believes that--by extension--he holds the same position with regard to Jerusalem and its holy sites. He therefore leads other elements in Arab society that strongly object to any Israeli presence in the Old City. Even if some Arab leaders became personally inclined to accept a compromise according them some control over the holy places--something Israel has not offered--they would be deterred by the fact that large numbers of their fellow Arabs would consider any such arrangement as traitorous.

Formal US Position

25. Between 1947 and 1967, the US position toward Jerusalem was based on the UN resolution calling for the internationalization of Jerusalem. At the same time, the US attempted to deal in a practical manner with the Israeli and Jordanian authorities in their respective sectors of the city. Since June 1967, the US has regarded Israel's presence in the former Jordanian-held sector as a military occupation and has opposed unilateral acts tending to create basic changes in the organization, administration, and nature of the city. Although

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Israelis at Dome of the Rock Mosque

the US has agreed with Israel that the city should remain unified, it maintains that Jordan should also have a role and that the final status of the city should be determined by negotiations as part of a package settlement between Israel and Jordan. The US has also emphasized the need for arrangements to safeguard the interests of Christianity, Judaism, and Islam in Jerusalem and to guarantee free access for all to the city.

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